

**ACQUISITION AND CROSS-SERVICING AGREEMENT**

**(US-KSA-01)**

**BETWEEN**

**THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA**

**AND**

**THE MINISTRY OF DEFENSE  
OF THE KINGDOM OF SAUDI ARABIA**

Effective Date: 16 May 16

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**PREAMBLE**

The Department of Defense of the United States of America and the Ministry of Defense of the Kingdom of Saudi Arabia, hereinafter referred to as the Parties, desiring to further the interoperability, readiness, and effectiveness of their respective military forces through increased logistic cooperation, have resolved to conclude this Acquisition and Cross-Servicing Agreement (this Agreement).

**ARTICLE I. PURPOSE**

This Agreement is entered into for the purpose of establishing basic terms, conditions, and procedures to facilitate the reciprocal provision of Logistic Support, Supplies, and Services as that term is defined in Article II of this Agreement. It is agreed by the Parties that this Agreement is restricted to its intended purpose, and that this Agreement does not conflict with the national sovereignty of the Parties.

**ARTICLE II. DEFINITIONS**

1. As used in this Agreement and in any Implementing Arrangements that provide specific procedures, the following definitions apply:

a. **Classified Information.** Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking. This information may be in oral, visual, magnetic or documentary form or in the form of equipment or technology.

b. **Equal value exchange.** Payment for a transfer conducted under this Agreement in which it is agreed that the Receiving Party shall replace Logistic Support, Supplies, and Services that it receives with Logistic Support, Supplies, and Services of an equal monetary value.

c. **Implementing Arrangement.** A written supplementary arrangement for Logistic Support, Supplies, and Services that specifies details, terms, and conditions to implement cross-

servicing agreements effectively.

d. Invoice. A document from the Supplying Party that requests reimbursement or payment for specific Logistic Support, Supplies, and Services rendered pursuant to this Agreement and any applicable Implementing Arrangements.

e. Logistic Support, Supplies, and Services. Food, water, lodging, transportation (including airlift), petroleum, oils, lubricants, clothing, communication services, medical services, ammunition, base operations support (including activities related to directly assisting, maintaining, supplying and distributing support of forces at the mutually agreed operating location), storage services, use of facilities, training services, spare parts and components, repair and maintenance services (including diagnostic and testing services), calibration services, and port services. The term also includes the temporary use of general purpose vehicles and other nonlethal items of military equipment, where such lease or loan is permitted under the national laws and regulations of the Parties. The term "Logistic Support, Supplies, and Services" refers to support, supply or services from any or all of the foregoing categories.

f. Order. A written request, in an agreed-upon format and signed by an authorized individual, for the provision of specific Logistic Support, Supplies, and Services pursuant to this Agreement and any applicable Implementing Arrangement.

g. Point of Contact (POC). An office or agency that is authorized by a Party to sign an Order requesting or agreeing to supply Logistic Support, Supplies, and Services under this Agreement, or by collecting or making payments for Logistic Support, Supplies, and Services supplied or received under this Agreement. This POC is listed in the POC Annexes to this Agreement or an associated Implementing Arrangement.

h. Receiving Party. The Party ordering and receiving support.

i. Replacement-in-kind. Payment for a transfer conducted under this Agreement in which it is agreed that the Receiving Party shall replace Logistic Support, Supplies, and Services that it receives with Logistic Support, Supplies, and Services of an identical, or substantially identical, nature under agreed conditions.

j. Supplying Party. The Party providing support.

k. Transfer. Selling (whether for payment in currency, replacement-in-kind, or exchange of supplies or services of equal value), leasing, loaning, or otherwise temporarily providing Logistic Support, Supplies, and Services under the terms of this Agreement.

l. Unforeseen circumstances or exigencies. Is defined to include, but not limited to, emergency support during natural disasters, urgent requirements during operations or other endeavors jointly agreed by the Parties.



### ARTICLE III. APPLICABILITY

1. This Agreement is designed to facilitate reciprocal logistic support between the Parties to be used primarily during combined exercises, training, mutually agree-upon deployments, port calls, operations, or other cooperative efforts, or for unforeseen circumstances or exigencies in which one of the Parties may have a need for Logistic Support, Supplies, and Services.
2. This Agreement applies to the provision of Logistic Support, Supplies, and Services from the military forces of one Party to the military forces of the other Party in return for either cash payment or the reciprocal provision of Logistic Support, Supplies, and Services to the military forces of the Supplying Party.
3. All activities of the Parties under this Agreement and any Implementing Arrangements shall be carried out in accordance with their respective national laws and regulations. All obligations of the Parties under this Agreement and any associated Implementing Arrangements shall be subject to the availability of funds for such purposes. Unless otherwise agreed in advance, a Party shall not place an Order and receive support under this Agreement and any associated Implementing Arrangement unless it has funds (or agreed-upon in-kind support) available to pay for such support. If a Party discovers that it does not have the funds to fulfill its obligations, it shall promptly notify the other Party, which shall have the right to discontinue its provision of any support that was to be paid for with such funds. This shall not affect the obligation of a Party to pay for support already received.
4. The following items are not eligible for transfer under this Agreement, and are specifically excluded from its coverage:
  - a. weapon systems;
  - b. major end items of equipment (except for the lease or loan of general purpose vehicles and other nonlethal items of military equipment where such lease or loan is permitted under the national laws and regulations of the Parties); and
  - c. initial quantities of replacement and spare parts associated with the initial order of major items of organizational equipment; however, individual replacement and spare parts needed for immediate repair and maintenance services may be transferred.
5. Also excluded from transfer by either Party under this Agreement are any items the transfer of which are prohibited by its national laws or regulations. In accordance with U.S. law and regulation, the United States currently may not transfer the following items under this Agreement:
  - a. guided missiles;
  - b. naval mines and torpedoes;

- c. nuclear ammunition (including such items such as warheads, warhead sections, projectiles, demolition munitions, and training ammunition);
- d. guidance kits for bombs or other ammunition;
- e. chemical munitions or ammunition (which do not include riot-control agents);
- f. source, byproduct, or special nuclear materials, or any other material, article, data, or thing of value the transfer of which is subject to the Atomic Energy Act of 1954 (Title 42, United States Code, Section 2011, et. seq. ); and
- g. items of military equipment designated as Significant Military Equipment on the United States Munitions List (Part 121 of Title 22 of the U.S. Code of Federal Regulations), except as allowed under the definition of Logistic Support, Supplies, and Services under U.S. law.

#### **ARTICLE IV. TERMS AND CONDITIONS**

1. Each Party shall make its best efforts, consistent with national priorities, to satisfy requests from the other Party under this Agreement for Logistic Support, Supplies, and Services. However, when an Implementing Arrangement contains a stricter standard for satisfying such requests, the standard in the Implementing Arrangement shall apply.
2. Orders may be placed or accepted only by the Points of Contact (POCs), or designees, identified by the Parties in Annexes B through K to this Agreement. When military forces of Saudi Arabia require Logistic Support, Supplies, and Services outside the U.S. Central Command (USCENTCOM) Area of Responsibility (AOR), they may place orders directly with the cognizant POC or may seek the assistance of USCENTCOM, or a USCENTCOM component command, to place an order with a non-USCENTCOM POC.
3. An Implementing Arrangement under this Agreement may be negotiated on behalf of the U.S. Department of Defense by Headquarters, USCENTCOM, the Headquarters of other U. S. Combatant Commands, or their designees. Implementing Arrangements may be negotiated on behalf of the Kingdom of Saudi Arabia Ministry of Defense by the Chairman, Supply and Logistics Authority (J-4). Implementing Arrangements shall identify POCs and their specific authorizations or limitations.
4. Prior to submitting a written Order, the ordering Party should initially contact the Supplying Party' s POC, including in person, by telephone, fax, or e-mail to ascertain availability, price, and desired method of repayment for required materiel or services. Orders shall include all the data elements in Annex A to this Agreement, as well as any other terms and details necessary to carry out the transfer. Instructions and a standard order form are attached. The number of this Agreement, US-KSA-01, should be annotated on all Orders and related correspondence.
5. Both Parties shall maintain records of all transactions.



6. The Receiving Party is responsible for:

a. Arranging pick-up and transportation of supplies acquired under this Agreement. This does not preclude the Supplying Party from assisting with loading supplies acquired under this Agreement onto the transportation conveyance.

b. Obtaining any applicable customs clearance and arranging other official actions required by national customs regulations.

7. The individual designated by the Receiving Party to receive the Logistic Support, Supplies, and Services on behalf of the Receiving Party shall sign the standard order form (Annex A to this Agreement) in the appropriate block as evidence of receipt. If the standard order form is not available at the Supplying Party's point of issue, the individual receiving the Logistic Support, Supplies, and Services shall sign the receipt document provided by the Supplying Party as a substitute. The number of this Agreement, US-KSA-01, shall be entered on the receipt document.

8. The Supplying Party shall be responsible for:

a. notifying the Receiving Party when and where Logistic Support, Supplies, and Services are available to be picked up; and

b. forwarding the signed receipt document to the POC authorized to accept Orders under this Agreement. The signed receipt document shall be attached to the original Order Form.

9. Logistic Support, Supplies, and Services received through this Agreement shall not be retransferred, either temporarily or permanently, to any other country, international organization, or entity (other than the personnel, employees, or agents of the military forces of the Receiving Party) without the prior written consent of the Supplying Party obtained through applicable channels.

## **ARTICLE V. REIMBURSEMENT**

1. For transfers of Logistic Support, Supplies, and Services under this Agreement, the Parties shall agree on payment either by cash ("reimbursable transaction"), or by replacement-in-kind or an equal-value exchange (both of which are exchange transactions). The Receiving Party shall pay the Supplying Party as provided in either paragraph 1.a. or paragraph 1.b. of this Article.

a. Reimbursable Transaction. The Supplying Party shall submit Invoices to the Receiving Party after delivery or performance of the Logistic Support, Supplies, and Services. Both Parties shall provide for the payment of all transactions, and each Party shall invoice the other Party at least once every three (3) months for all transactions not previously invoiced.

Invoices shall be accompanied by necessary support documentation and shall be paid within ninety (90) days of the date prepared and entered upon the invoice. Payment shall be made in the currency of the Supplying Party or as otherwise agreed in the Order. In pricing a reimbursable transaction, the Parties agree to the following reciprocal pricing principles:

(1) In the case of a specific acquisition by the Supplying Party from its contractors on behalf of a Receiving Party, the price shall be no less favorable than the price charged the military forces by the contractor of the Supplying Party for identical items or services, less any amounts excluded by Article VI of this Agreement. The price charged may take into account differentials due to delivery schedules, points of delivery, and other similar considerations.

(2) In the case of transfer from the Supplying Party's own resources, the Supplying Party shall charge the same price charged its own military forces for identical Logistic Support, Supplies, and Services, as of the date delivery or performance occurs, less amounts excluded by Article VI of this Agreement. In any case where a price has not been established or charges are not made for one's own military forces, the Parties shall agree on a price in advance, reflecting reciprocal pricing principles, excluding charges that are precluded under these same reciprocal pricing principles.

b. Exchange Transaction. Exchange transactions may be by replacement-in-kind or equal-value-exchange. The Receiving Party shall pay by transferring to the Supplying Party Logistic Support, Supplies, and Services that are agreed between the Parties to be identical (or substantially identical) or to be of equal monetary value to the Logistic Support, Supplies, and Services delivered or performed by the Supplying Party. When Equal Value Exchange is the agreed method of payment, prior to the provision of the requested support both Parties will agree, to the extent possible, on the goods and services that will be accepted for payment. The Receiving Party is responsible for arranging return transportation and delivery of the replacement Logistic Support, Supplies, and Services to the location mutually agreed between the Parties at the time the order is signed. If the Receiving Party does not complete the exchange within the terms of a replacement schedule agreed to or in effect at the time of the original transaction, which may not exceed one year from the date of the original transaction, the transaction shall be deemed reimbursable and governed by paragraph 1.a. above, except that the price shall be established using actual or estimated prices in effect on the date payment otherwise would have been due.

c. Establishment of Price or Value. The following pricing mechanisms are provided to clarify application of the reciprocal pricing principles. The price established for inventory stock materiel shall be the Supplying Party's stock list price. The price for new procurement shall be the same price paid to the contractor or vendor by the Supplying Party. The price for services rendered will be the Supplying Party's standard price, or, if not applicable, the costs directly associated with providing the services. Prices charged shall exclude all taxes and duties that the Receiving Party is exempted from paying under other agreements that the Governments of the



Parties have concluded. Upon request, the Parties agree to provide information sufficient to verify that these reciprocal pricing principles have been followed and that prices do not include waived or excluded costs.

2. When a definitive price for the Order is not agreed to in advance, the Order, pending agreement on final price, shall set forth a maximum liability to the Party ordering the Logistic Support, Supplies, and Services. Then the Parties shall enter into negotiations promptly to establish the final price.

3. POCs for payments and collections for each Party are identified in the Annexes to this Agreement.

4. The price for Logistic Support, Supplies, and Services under this Agreement shall not be higher than the price for the same Logistic Support, Supplies, and Services available under any other agreement between the Parties or their Governments.

#### **ARTICLE VI. WAIVED OR EXCLUDED COSTS**

Insofar as national laws and regulations permit, the Parties shall ensure that any readily identifiable duties, taxes, and similar charges are not imposed on activities conducted under this Agreement. The Parties shall cooperate to provide proper documentation to maximize tax and customs relief. The provisions of any applicable tax and customs relief agreements also shall apply under this Agreement. The Parties shall inform each other whether the price charged for Logistic Support, Supplies, and Services includes taxes or duties. In determining whether duties, taxes, or similar charges should be levied, the pricing principles in Article V govern the value of the Logistic Support, Supplies, and Services provided by the Supplying Party.

#### **ARTICLE VII. SECURITY OF INFORMATION**

All classified information and material exchanged between the Parties shall be in accordance with their respective national disclosure policies. Any classified information and material provided or generated pursuant to this Agreement shall be protected in compliance with the General Security of Military Information Agreement between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia dated July 10, 1982.

#### **ARTICLE VIII. INTERPRETATION, AMENDMENTS, AND REVISION OF INFORMATION**

1. Any disagreements regarding the interpretation or application of this Agreement, any Implementing Arrangements, or transactions executed hereunder shall be resolved through consultation between the Parties and shall not be referred to any national or international tribunal, or third party for settlement.



2. Either Party may, at any time, request amendment of this Agreement by providing written notice to the other Party. In the event such a request is made, the Parties shall enter into negotiations promptly. This Agreement may be amended only by written agreement between the Parties. Replacement of Annexes B through K to this Agreement, which list POCs, may be done by a Party transmitting the replacement Annex to the other Party through military channels, without formal amendment of this Agreement.

#### ARTICLE IX. ENTRY INTO FORCE AND TERMINATION

This Agreement, which consists of a Preamble, Articles I-IX, and Annexes A through L, shall be provisionally applied from the date of its signature, and shall enter into force on the date the Ministry of Defense of Saudi Arabia provides written notification to the Department of Defense of the United States of America that it has fulfilled all of its internal procedures necessary for the Agreement to enter into force. This Agreement shall remain in force unless terminated by the mutual written consent of the Parties or by either Party giving not less than 180 days notice in writing to the other Party of its intent to terminate. Notwithstanding termination of this Agreement, all reimbursement obligations incurred pursuant to its terms shall remain binding on the responsible Party until satisfied.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE, in duplicate in the English and Arabic languages. In cases of dispute in language interpretation English is the controlling language.

**FOR THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES  
OF AMERICA**



Aundre F Piggee  
Major General, USA  
Director of Logistics and Engineering  
United States Central Command

**FOR THE MINISTRY OF DEFENSE  
OF THE KINGDOM OF  
SAUDI ARABIA**



MG Abdullah Saleh Al-Orini  
Chief, SAAF Logistics (J4)  
Ministry Of Defense  
Riyadh, Kingdom of Saudi Arabia

at: CCJ4 Tampa, FL  
on: 16 May 16

at: MOD-J4  
on: 16 May 2016

## **LIST OF ANNEXES**

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ANNEX B – The Ministry of Defense of XXXXXXXX POCs

ANNEX C – USCENTCOM POCs

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TAB B – USARCENT (Army)

TAB C – USNAVCENT (Navy)

TAB D – USAFCENT (Air Force)

TAB E – USMARCENT (Marine Corps)

TAB F – SOCCENT (Special Operations)

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ANNEX F – JOINT STAFF J-4 POCs

ANNEX G – USSOUTHCOM POCs

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ANNEX I – USTRANSCOM POCs



TAB A – USTRANSCOM

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ANNEX J – USAFRICOM POCs

TAB A – U.S. Africa Command (AFRICOM)

TAB B – U.S. Air Forces Africa (USAF AF)

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ANNEX K – DEFENSE LOGISTICS AGENCY (DLA) POCs

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ANNEX L – DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS) POCs